

PLENARY MEETING
SEPTEMBER 24, 2001

SETTLEMENT AGREEMENT TASK FORCE

UPDATE

RECAP:

Following the last Plenary Meeting, August 30th, it was becoming increasingly apparent that gaining approval of Riverbend Park and the rest of the Interim Projects was going to be an arduous task, that if left to the Plenary Group, was going to detract from the other more important aspects of the re-licensing process.

A special Task Force was formed in order to gain consensus among DWR representatives, State Water Contractors, and local interests and to draft a Settlement Agreement for the September 24th Plenary Meeting.

The Task Force comprised of :

Rick Ramirez, Wayne Dyok, Richard, Roos-Collins, Craig Jones, Jon Rubin, Ken Kules, Patti Kroen, Mike Pierce, D.C. Jones, Ruben Duran, Bob Sharkey, and Scott Lawrence,

have met twice.

The first meeting was held at the DWR office in Sacramento on September 10th.

Considerable time was spent discussing the draft Settlement Agreement presented on September 5th, including whether or not Riverbend Park and the other Interim Projects would be included in the License, to what extent they would be given credit in the Over-all Settlement Agreement, and what the total cost would be to DWR and the State Water Contractors.

While the outcome of the meeting was successful, it became abundantly clear there were many different perceptions of the alternative re-licensing process and what the interim project agreement should entail.

A second meeting was held, by conference call, on Monday, September 17th to discuss a revised Settlement Agreement, based on the September 10th meeting. Among the major points discussed was an "X" - "Y" concept, in which "X" equals the total cost commitment for Riverbend Park, and "Y" equals the total commitment for Riverbend Park plus the other Interim Projects. Under this concept, If "X" goes up, "Y" goes down, etc.

After a couple of hours of good discussion, it was decided by the entire Task Force, we were not quite ready to bring a Settlement Agreement to tonight's Plenary Meeting.

While we are definitely getting closer, it was felt it would be a good idea for Craig to take these concepts to the Water Contractor's Board Meeting, and to give the Interim Projects Task Force an opportunity to put some type of "fence" around the Interim Projects in terms of total scope and dollar amount.

It was also felt the Water Contractors needed and opportunity to reschedule the tour of Riverbend Park which was postponed due to the crisis at the World Trade Center.

INTERIM PROJECT TASK FORCE:

The Interim Projects Task Force met last Friday and the projects have been reduced to an A and B list of about 25 projects.

It was indicated, at that meeting, that the Water Contractors favor an "X" - "Z" concept where Riverbend Park would be funded to a maximum of "X" with the remainder of the interim projects funded to a maximum of "Z". Support for this concept is based on the premise that the package of interim projects will be drawn from the list of existing interim projects.

It is likely the dollar values, or caps, won't be established for "X" and "Z" until after the Water Contractors have had a chance to tour Riverbend Park which has tentatively been rescheduled for October 11th or 12th.

CONCLUSION:

It appears as though all parties are getting **close** to reaching agreement for Riverbend Park and the other Interim Projects. The Task Force should have no problem bringing a proposed Settlement Agreement back for approval at the October 17th Plenary Meeting.

END